

PHA FASS - Frequently Asked Questions (FAQs)

PHA FASS FAQs

General Questions

1. Will HUD allow any extensions during the first reporting period?

The answer depends on whether the extension is needed for an unaudited or audited submission. HUD is unable to grant extensions for audited information because this is an Office of Management and Budget (OMB) federal statutory requirement mandated by OMB Circular A-133 and the Single Audit Act Amendment. However, HUD plans to allow some PHAs to receive extensions for unaudited submissions during the first reporting period.

2. A number of documents and guides on your webpage reference a FDS? What is the FDS?

FDS is the acronym for Financial Data Schedule. The FDS is a matrix comprised of all HUD programs administered by PHAs which also includes account numbers and account descriptions. PHAs will use this to post their year-end trial balance resulting in the creation of;

- (1) a Balance Sheet;
- (2) an Income Statement; and
- (3) computation of the six PHAS financial ratios.

A spreadsheet version of the FDS can be found at:

<http://www.hud.gov/reac/reafinph.html>

3. Are there any guides available to help a PHA convert its books to GAAP?

Yes, the HUD GAAP Conversion Guide and the FDS Line Definitions and Crosswalk Guide were developed to help PHAs convert their books to GAAP. In fact, the Crosswalk Guide “walks” PHAs from HUD’s former Chart of Accounts to the new Chart of Accounts used in the Financial Data Schedule. These Guides can be found on the web at:

www.hud.gov/reac/reafin.html

- 4. Do PHAs have to continue submitting the Form HUD 52595 and 52599?**
Beginning with Fiscal Year 9/30/99, the submission of Forms HUD – 52595 (Balance Sheet) and 52596 (Roll forward of Surplus) are no longer being required for Low Rent and Section 8. However, the submission of Form HUD – 52599 (Statement of Operating Receipts & Expenditures) and Form HUD 52681 (Year-End Settlement) continues to be a PIH requirement. Therefore, PHAs must submit these forms to the Office of Public Housing as they have done in the past.
- 5. When will the first FASS score be issued/published?**
The first FASS Score is due to be published on December 31, 1999, for PHAs that has provided the REAC with timely electronic submissions of financial data.
- 6. Do PHAs have to submit a hard copy of their unaudited financial data to their local HUD Office?**
The REAC does not require PHAs to submit a hard copy of their annual Financial Statements as the information collected in these statements is being submitted electronically via the Financial Assessment Subsystem (FASS). However, it is suggested that PHAs print out a copy of the electronic FDS (forwarded via FASS) so that these can be maintained as part of the PHA's records along with the hard copy of their audited report. Any forms (consisting of financial data) which are currently being required by the Office of Public Housing should continue to be submitted to that Office (See Question # 4 for more details). Please keep in mind; however, that the local HUD office will have access to all electronic data being forwarded to REAC via FASS.
- 7. Is a PHA required to forward a hard copy of its audit report to the REAC?**
No, a PHA is not required to forward a hard copy of its audit report to the REAC. However, the PHA should maintain a hard copy of the audited report in the event the REAC or the HUD office needs it as part of a Quality Assurance Review.
- 8. What are the steps a PHA needs to take in order to complete an audited submission. Please define the role of the PHA and that of the auditor.**
See the response to Question No. 6. In addition, as a recipient of HUD funds, PHAs are ultimately responsible for ensuring that audited financial statements are submitted to the REAC via the FASS within 9 months of the PHA's fiscal year end. the decision as to whether the auditor or the PHA will actually submit the audited data to the REAC electronically is that of the PHA's Executive Director (in other words, the PHA can designate its responsibility to the auditor). However, since HUD's contractual relationship is with the PHA, HUD cannot hold the auditor responsible for late electronic submissions.

9. Are PHAs still required to submit the Management Letter (prepared by the auditor) to HUD?

No, the submission of the Management Letter to HUD is no longer required.

10. Is a PHA required to transmit an unaudited submission if its audited data is prepared at the time that its unaudited submission is due?

Technically, yes. However, you need to create an unaudited submission and then the data can be submitted as the audited submission. (You should first forward your data as an unaudited submission and then submit the same data again as an audited submission). You do not need to re-enter the data.

Technical Questions:

1) Is cash flow required under the Fund Reporting Model concept – GASB 34?

Yes, under the Fund Reporting Model for proprietary funds, a cash flow statement is required for financial reporting purposes. However, REAC will not be collecting this information for FY 2000.

2) Do closed CIAP grants have to be reported as part of the PHA's annual financial statement information?

Once a CIAP Grant closes, it should be reported as Property, Plant and Equipment. Subsequent years should be included in the Balance Sheet for CIAP Grants.

3) Section 8 HAP payments (i.e., “pass through payments”) seem more like a Fiduciary Fund as opposed to a Proprietary Fund - similar to a Pension Fund (non-expendable). Please explain HUD's position on this issue.

Flow through payments should be booked as Revenue with a corresponding HAP expenditure using an Enterprise Fund.

4) What is the difference between hard and soft costs and how are these to be recorded under GAAP?

Hard costs are all costs associated with the construction or purchase of capital assets and any major additions in the form of additional construction and improvements which add value to those assets. Soft costs are expenses that do not meet capital asset criteria and fail to add value to existing buildings. For a more detailed explanation of hard and soft costs, see *GAAP Flyer No. 2 (Fixed Assets)* on our financial webpage.

- 5) **If a PHA begins to depreciate as of the purchase date or completion of the physical improvement, where does it show the accumulated depreciation expense on the FDS?**

A PHA would show the accumulated depreciation expense on Line Item No. 166 of the FDS under the column on the FDS to which it relates (e.g., Comp. Grant Program, Section 8 Program, Low Rent Program, etc.).

- 6) **Can a PHA use just one User ID to access the system?**

Keep in mind that a User ID is assigned to a person, not an entity. It is associated with a person's social security number (SSN) and the tax identification number (i.e., Organization ID) of the PHA for which the person will be doing business. So as not to breach the security of the system, a User ID should not be shared. Each person using the system should register for a unique ID. There are two types of system IDs: "Coordinator" and "User."

Note: A single ID can be used to access all REAC's subsystems. (i.e., FASS, MASS, PASS, RASS, etc). Once someone receives a User ID to access any one of the assessment subsystems, that person can access all the subsystems if the designated Coordinator for his PHA assigns him rights to the other subsystems.

- 7) **What is the difference between a "Coordinator" and a "User"?**

A "Coordinator" acts as a system administrator for a PHA and assigns rights and system access for a PHA. The "Coordinator" IDs are sent to the Executive Director of the PHA after registration. A Coordinator controls which "Users" have access to prepare, review, or submit annual financial statement data on behalf of the PHA. A Coordinator can be an employee of the PHA or a designee of the PHA. A "User", on the other hand, simply has access to a particular subsystem and is unable to assign rights to someone else.

- 8) **If I am a "User" that represents more than one PHA, do I need to request an additional User ID for each PHA?**

No, the FASS system allows a single ID to be used for multiple PHAs provided the Coordinator for those PHAs grants access. However, you must request access to the system and permission to submit information from each one of the PHA's "Coordinators." The "Coordinator" for each PHA must request additional PHA relationships through the Secure Connections Systems menu. When this request is made, an "activation key" will be mailed to the Executive Director of the PHA for which the additional relationship was requested.

- 9) **Can more than one person simultaneously input financial data for the same PHA into the FASS system?**

Yes, as long as each person inputs data under different programs administered by that particular PHA.

- 10) **Why do I need to register as a Coordinator? I am the PHA Director and am already registered as a User.**

With the upcoming release of FASS 3.0.1 and the Secure Connections software, the PHA must select a Coordinator so that the PHA can control and monitor the rights

assigned to individuals within its organization. Essentially, the PHA's Coordinator will serve as the Information Technology (IT) Administrator for that entity, assigning roles and system access to users of REAC systems. This procedure will ensure data integrity and good internal controls within FASS.